23rd March 1948]

SRI D. KRISHNAMURTHI :—" May I know that action was dropped, because the Government of India were not in favour of prosecution? "

THE HON. SRI H. SITARAMA REDDI :—" The Government of Madras and the Government of India were both anxious to do something in the matter, but they could not do anything, because of certain rules that were in force at that time."

SRI D. KRISHNAMURTHI :—" Sir, since smuggling and blackmarketing are not compoundable offences, why did not the Government take action to consult Legal Advisers in the matter? "

THE HON. SRI H. SITARAMA REDDI :—" Blackmarketing can arise only when there is a case of particular production, which has not been properly accounted for. But here, there is only a movement of goods. The mere fact that a particular quantity has moved from one place to another does not constitute blackmarketing, and hence no prosecution could be launched."

SRI D. KRISHNAMURTHI :—" Sir, where was the property actually seized? My information is that the Sub-Inspector handed it back again from where it was taken. May I know, why was it seized and why was it returned back? "

THE HON. SRI H. SITARAMA REDDI :—" In several cases, properties might have to be seized, but when there was no case, the property should be returned. That is what might have happened in this case also."

SRI D. KRISHNAMURTHI :—" Even if the property was handed over under certain provision, why was no prosecution launched against the proprietor of the company? "

THE HON. SRI H. SITARAMA REDDI :—" I have no more information than what I have already given, Sir."

SRI D. KRISHNAMURTHI :—" Have the Government proposed to drop the matter at this stage? "

THE HON. SRI H. SITARAMA REDDI :—" They have already dropped the matter, Sir."

Western India Match Factory.

* 54 *Q.*—SRI H. M. JAGANNATHAM (on behalf of Sri P. R. K. Sarma) : Will the Hon. the Minister for Industries be pleased to state—

(*a*) what the report of the Industrial Tribunal, Madras, is in the dispute between the Western India Match Factory Workers' Union and the Western India Match Company; and

(*b*) whether the report contains any recommendations to the Government for legislation and action against the employer and what action the Government propose to take in the matter?

[23rd March 1948

THE HON. SRI H. SITARAMA REDDI :—" (a) A copy of the award of the Industrial Tribunal[a] is placed on the table of the House.

" (b) The Tribunal has suggested that the Government may amend the rules framed under the Industrial Disputes Act so as to bring managements and labour unions to a sense of responsibility to observe ordinary canons of good behaviour and not use intemperate language. The Government consider that this is not a matter to be dealt with in the rules framed under the Industrial Disputes Act, but that the same purpose can be achieved through Works and Production Committees which are likely to be set up shortly."

Handmade paper industry.

*55 Q.—SRI R. SURYANARAYANA RAO: Will the Hon. the Minister for Industries be pleased to state—

(a) whether there are centres in which handmade paper manufacture is carried on;

(b) whether arrangements exist in these centres to train those who wish to be trained;

(c) if the answer to (b) is in the affirmative, the number of persons under training in each centre;

(d) whether the economics of handmade paper production have been worked out; and if so, what is the cost of production and how it compares with that of machine-made paper;

(e) whether the Government are making use of the paper manufactured in their centres; and

(f) whether the Government have any scheme for the promotion of manufacture of handmade paper?

THE HON. SRI H. SITARAMA REDDI :—" (a) Yes, Sir. There are two Handmade Paper Units, one at Viziawada and the other at Bugga, Cuddapah district, run by the Industries and Commerce Department. There is also one Handmade Paper Unit at Tiruvangimalai, Musiri Firka, Trichinopoly district, functioning under the Firka Development Scheme.

" (b) Facilities for training candidates exist in the Paper Units at Viziawada and Tiruvengimalai. No such facilities exist in the Paper Mill at Bugga as it is a small unit.

" (c) Eight students are undergoing training at present in the Handmade Paper Unit at Tiruvangimalai. No student is undergoing training at present in the Paper Mill at Viziawada.

" (d) The economics of handmade paper manufacture depend upon the quality of paper manufactured and the raw material used. The cost of production of paper varies from 8 annas to 14 annas per lb. The cost of handmade paper cannot be compared with that of mill-made paper as machine-made

[a] Printed as Appendix III on pages 102-116 infra.